

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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AFFIDAVIT OF WILLIAM H. HONAKER IN SUPPORT OF
APPLICATION FOR ORDER UNDER 11 U.S.C. §§ 327(e) AND
1107(b) AND FED. R. BANKR. P. 2014 AUTHORIZING EMPLOYMENT AND
RETENTION OF HOWARD & HOWARD ATTORNEYS, P.C. AS INTELLECTUAL
PROPERTY COUNSEL TO DEBTORS

STATE OF MICHIGAN

COUNTY OF OAKLAND

WILLIAM H. HONAKER, being duly sworn, deposes and states as follows:

1. I am an attorney admitted to practice before the courts of the State of Michigan and the United States Patent and Trademark Office. I am a shareholder in the firm of Howard & Howard Attorneys, P.C. ("H&H"), proposed intellectual property counsel for Delphi Corporation ("Delphi") and certain of its subsidiaries and affiliates, the debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors").

2. I submit this affidavit (the "Affidavit")¹ in support of the Application For Order Under 11 U.S.C. §§ 327(e) and 1107(b) and Fed. R. Bankr. P. 2014 Authorizing Employment And Retention Of Howard & Howard Attorneys, P.C. As Intellectual Property Counsel To Debtors (the "Application") nunc pro tunc to October 8, 2005, filed concurrently herewith.

¹ Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Application.

3. The address and the telephone and fax numbers of H&H are as follows:

39400 Woodward Ave., Suite 101
Bloomfield Hills, Michigan 48304
Telephone: (248) 645-1483
Facsimile: (248) 645-1568

4. H&H is well qualified to assist the Debtors in the manner described in the Application. H&H has an extensive intellectual property practice serving many clients in the automotive industry. Thus, H&H is especially attuned to the unique intellectual property issues that arise in the Debtors' industry. Accordingly, the Debtors believe that H&H is well qualified to serve as intellectual property counsel in these chapter 11 cases in an efficient and effective manner.

5. H&H has continuously performed identical work for the Debtors for several years prior to the filing of these chapter 11 cases and is therefore familiar with the Debtors' businesses and operations as it relates to intellectual property matters. H&H is generally familiar with the Debtors' corporate structure, the general nature of the Debtors' financial status, and certain legal matters relating to the Debtors based on the intellectual property services that H&H has rendered to the Debtors.

6. Generally, in connection with the Debtors' cases, H&H has been providing to the Debtors since the filing of these chapter 11 cases and will continue to provide to the Debtors during these chapter 11 cases the following types of professional services:

- (a) Patent Preparation: review of invention disclosures, preparation of patentability opinions, preparation and filing of patent applications with the U. S. Patent and Trademark Office.
- (b) Patent Preparation: Review of correspondence from U.S. Patent and Trademark Office and preparation of amendments to patent applications to secure the patent.
- (c) Non-Infringement & Clearance Opinions: Review of potential products and inventions, conduct searches for relevant patents and publications,

review and analyze uncovered patents, and publications and preparation of opinions.

- (d) Miscellaneous intellectual property advice and counsel related to copyrights, trademarks and know-how and contractual matters involving intellectual property.

7. H&H will not be responsible for or undertake any representation with respect to advising any of the Debtors with respect to any matter relating to any of H&H's existing or future clients. These existing client relationships, and the scope of the carve-out from H&H's retention, are discussed more fully below.

8. It is H&H's understanding that the Debtors may request that H&H undertake specific matters beyond the limited scope of the responsibilities set forth above. Should H&H agree in its discretion to undertake any such matter, it is H&H's understanding that the Debtors shall seek further order of this Court.

9. H&H is making efforts together with the Debtors' other counsel to ensure that there is no duplication of effort or work between such firms and H&H. It is H&H's intention that the estates should receive the best value possible from the efficient coordination of work among its counsel. H&H believes that its lawyers and the rest of the lawyers retained in these cases have to date delineated clearly, and will continue to delineate clearly, the division of work between them, so as to avoid any duplication of effort and to maximize the efficiencies of the proposed arrangement.

10. In the 90 day period prior to the Petition Date, the Debtors paid to H&H approximately \$395,687.98 in fees and expenses for intellectual property advice and legal services rendered to the Debtors. There are no arrangements between H&H and any other entity to share compensation received or to be received in connection with these chapter 11 cases.

11. H&H has agreed to accept compensation for the services rendered in connection with its representation of the Debtors at H&H's standard hourly rates and reimbursement for expenses according to H&H's reimbursement policies subject to approval of the Bankruptcy Court. A list of standard hourly rates for those attorneys and non-attorney personnel who are expected to be rendering services to the Debtor's during these chapter 11 cases and H&H's reimbursement policies are attached hereto as Exhibit A. The hourly rates are subject to annual adjustment in accordance with H&H's standard policies. The last annual hourly rate adjustment for all H&H attorneys and non-attorney personnel was as of November 1, 2005.

12. H&H acknowledges that all amounts paid to H&H during these chapter 11 cases are subject to final allowance by this Court. In the event that any fees or expenses paid to H&H during these cases are disallowed by this Court, the fees and expenses will be disgorged by H&H and returned to the Debtors or as otherwise ordered by this Court.

13. H&H categorizes its billings by subject matter, in compliance with the applicable guidelines of the Office of the United States Trustee (the "U.S. Trustee Guidelines"). H&H acknowledges its compensation in the Debtors' cases is subject to approval of this Court in accordance with section 330 of the Bankruptcy Code, Bankruptcy Rule 2016, and the U.S. Trustee Guidelines.

14. H&H has conducted a check for conflicts of interest and other conflicts and connections with respect to the Debtors' bankruptcy cases. H&H maintains a database (the "H&H Database") containing the names of current, former, and potential clients and other principal parties related to such clients. I caused H&H to review and analyze the conflict database to determine whether H&H has any connection with the principal parties-in-interest in

these chapter 11 cases, using information provided to H&H by the Debtors and Skadden and information contained in the database, including (a) the names of the Debtors' prepetition lenders, (b) the names of significant creditors of the Debtors, (c) the names of firms that the Debtors intend to or may employ during their chapter 11 cases, and (d) the names of other interested parties (collectively and in all combinations, "Interested Parties").

15. Based upon this research, I have determined that H&H has in the past represented, currently represents, and will likely in the future represent certain of the Debtors' creditors and other parties-in-interest in matters unrelated to the Debtors or these chapter 11 cases. Attached hereto as Exhibit B is a list of those Interested Parties that are contained in the H&H Database. I do not believe that the relationship of H&H to any of the Interested Parties listed on Exhibit B raises any actual or potential conflicts of interest of H&H relating to the representation of the Debtors as special intellectual property counsel in these chapter 11 cases, but such relationships are disclosed out of an abundance of caution.

16. It is my intention that if H&H becomes aware of any other connections of which it presently is unaware, H&H will bring them to the attention of this Court and the U.S. Trustee.

By: /s/ William H. Honaker
William H. Honaker

Sworn to before me
this 17th day of November, 2005

/s/ Sandra L. Barry
Notary Public

EXHIBIT "A"

**Howard and Howard Attorneys Currently Working
On Delphi Intellectual Property Matters**

ATTORNEYS		Pre - 11/01/05 Hourly Rate	Post - 10/31/05 Hourly Rate
0023	William H. Honaker	\$355.00	\$375.00
0029	Harold W. Milton	\$375.00	\$400.00
0041	Randall L. Shoemaker	\$250.00	\$275.00
0049	Samuel J. Haidle	\$200.00	\$235.00
0054	Kristopher K. Hulliberger	\$140.00	\$155.00
0069	David M. LaPrairie	\$200.00	\$235.00
0070	Trent K. English	\$135.00	\$155.00
0075	James R. Yee	\$260.00	\$320.00
0124	Robert L. Stearns	\$325.00	\$345.00
0141	Raymond C. Meiers	\$175.00	\$205.00
0165	Jon E. Shackelford	\$275.00	\$295.00
0172	Suzanne K. Klein	\$135.00	\$160.00

INTERNS AND PARALEGALS

0093	Michael G. Shariff	\$135.00	\$165.00
0116	Matthew Binkowski	\$95.00	\$105.00
0120	Lisa M. Muhleck	\$85.00	\$95.00
0139	Brian C. Andress	\$95.00	\$105.00
0174	Christopher M. Francis	\$75.00	\$85.00
0177	Julie Kapp	\$75.00	\$85.00
0178	Stephen J. Kontos	\$75.00	\$85.00
0181	Michael D. Jones	\$100.00	\$110.00
9903	Dawn Large ("IP Paralegal")	\$95.00	\$95.00
9903	Natalya DeVries ("IP Paralegal")	\$95.00	\$95.00

EXHIBIT A (Cont'd)

HOWARD & HOWARD
EXPENSE REIMBURSEMENT ON
DELPHI INTELLECTUAL PROPERTY MATTERS

<u>Description</u>	<u>Charge*</u>
1. Photocopy Charges (per page)	\$ 0.10 each
2. Facsimile Charges (per page)	\$ 0.50 each
3. Postage Charges	\$ 0.00 N/C
4. Copies – Copy Corps.	
5. Long Distance Telephone Charges	
6. USPTO Government Filing Fees	
7. Delivery Fees (Courier)	
8. Great Lakes Patent & Trademark Depository Searches	
9. USPTO International Search Charges	
10. Washington Associate's fee for conducting Search	
11. Patent Draftsman Charges (informal and formal)	
12. Cell Phone Charges (William Honaker)	
13. Dialog Computer Search & ordering US Patents	
14. Derwent Patent Search for Delphi Infringement	
15. United Parcel Service Charges	
16. Express Mail Charges	
17. Federal Express Charges	
18. International Federal Express Charges	
19. Lexis Research	
20. On-Line Research - Westlaw	
21. Mileage Expense	
22. Travel Expense – Parking and Admission	
23. Travel Expense – Hotel	
24. Travel Expense – Meal	
25. Travel Expense – Airfare	
26. Travel Expense – Car Rental	
27. Meal Expense	
28. Disbursement in obtaining Patent Copies – OptiPat	
29. Disbursements in obtaining file history	
30. Filing fees – Information Disclosure Statement	
31. Disbursements to Foreign Associates	

* Howard & Howard out-of-pocket cost unless otherwise indicated

EXHIBIT B

HOWARD & HOWARD ATTORNEYS, P.C.
DELPHI INTERESTED PARTIES – H&H MATCHES

**(A) AFFILIATES AND NON-DEBTOR
SUBSIDIARIES**

CEI Co., Ltd.
Daewoo Motor Co., Ltd.
Delphi Interior Systems de Mexico, S.A. de C.V.
Delphi Lockheed Automotive Pension Trustees
Limited
Delphi Technologies, Inc.

Wells Capital Management-12831400
Wells Capital Management-13702900
Wells Capital Management-13823100
Wells Capital Management-13923602
Wells Capital Management-14945000
Wells Capital Management-16017000
Wells Capital Management-16463700
Wells Capital Management-16896700
Wells Capital Management-16959700
Wells Capital Management-17299500

**(B) FORMER OFFICERS AND DIRECTORS
(FOR THE PAST THREE YEARS)**

Brown, Richard
Burgner, David Allen
Niekamp, Cynthia A.

(D) INSURERS

ACE USA
AIU Inc.
Allianz
American Home Assurance Co. (AIMA)
American International Insurance
American International Specialty Lines Insurance
Company
ANR Pipeline Company
Aon
Arch
AXIS
Bermuda Markets
Cananwill, Inc.
Chubb Custom Insurance
Chubb Specialty Insurance
CNA Financial Insurance
CNA Insurance Companies
Federal Ins. Co. (Chubb)
General Star Indemnity Company
Great American
Hannover Re
Hartford
HDI
IRI
Lexington
Lexington Insurance Company (AIG American
International Companies)
Liberty Mutual
Lloyds of London
Marsh USA, Inc. (Broker)
National Union Fire Ins. Co. (AIG)
National Union Fire Insurance Company of Pitts.,
PA (AIG American International Companies)
St. Paul Fire & Marine Insurance Company
St. Paul Surplus Lines Ins. Co.
Steadfast Insurance Company (Zurich)
U.S. Specialty Insurance Company

**(C) ALL LENDERS (INCLUDING CURRENT
AND FORMER AGENTS UNDER CREDIT
FACILITIES AND THEIR COUNSEL AND
FINANCIAL ADVISORS)**

Ableco Finance LLC
Bank of America, N.A.
Bank of New York
Citibank N.A.
Comerica Bank Michigan
Employers Insurance of Wausau
Fifth Third Bank, Eastern Michigan
General Electric Capital Corporation
Goldman Sachs Credit Partners L.P.
HSBC Bank USA, National Association
KeyBank National Association
Liberty Mutual Ins Company
Morgan Stanley Senior Funding, Inc.
National City Bank
Park Avenue Loan Trust
Principal Life Insurance Company
Redwood Master Fund, Ltd.
Riviera Funding LLC
Robson Trust
Rockwall CDO Ltd.
Saturn Trust
SEI Institutional Managed TST
Seneca Capital, L.P.
Sierra CLO I Ltd.
Sumitomo Mitsui Banking Corporation
SunTrust Bank Atlanta
UBS Loan Finance LLC
Wachovia Bank National Association

XL U.S.
Zurich American Insurance Company

(E) PROFESSIONALS (ATTORNEYS, ACCOUNTANTS, INVESTMENT BANKERS, CONSULTANTS FOR THE PAST THREE YEARS) [Excluding those Professionals that Charge less than \$100,000.00 in Annual Fees]

ASI (American Supplier Institute)
ASI Consulting Group LLC
ASI LLC
ASI, Shainin (ICIM)
Asset Management Resources
AT Kearney
AVL North America Inc
Baker & Daniels
Baker & McKenzie LLP
Bliss McGlynn P.C.
Butzel, Long
Carquest
Clark Consulting
Clark Hill P.L.C.
David Cunningham
Deloitte Touche Tohmatsu
Dickinson Wright P.L.L.C. (Detroit, MI)
Dykema Gossett P.L.L.C.
E&Y
EDS
Electricore Inc
ENSR Corporation
Equis Corporation
Ernst & Young
FedEx Trade Networks Transport and Brokerage, Inc.
Fleishman Hillard Japan, Inc.
Foley & Lardner LLP
Hill & Knowlton
Honigman Miller Schwartz and Cohn
Howard & Howard Attorneys, P.C.
Hunton & Williams LLP
Interim Healthcare Inc.
Paul Hastings Janofsky & Walker LLP
PriceWaterhouseCoopers LLP
Russell Reynolds
Sandler & Travis Trade Advisory Services, Inc
Suri & Company
UBS
Young & Rubicam, Inc.
Yuasa & Hara

(F) PARTIES TO LITIGATION AND THEIR COUNSEL (FOR CLAIMS OF AT LEAST \$500,000)

A&O Mold & Engineering, Inc.
Adams, Thomas E.
Allstate Insurance
Brady, Larry
Campbell, Robert R.
Casper & Casper
Citibank Texas, National Association
Covington & Burling
Daewoo International
DaimlerChrysler Corporation
Dana Corp Global Production WHS
Dana Corp Sealing Division
Dynamic Sciences International
Eftec North America, LLC
Epsilon
First Technology
Fitch, Even, Tabin & Flannery
Ford Motor Company
General Motors Daewoo Auto and Technology
GM Daewoo
GM DAT
GM Epsilon
GM Europe Opel
GM & International
Honeywell ACS Sensing & Control
International Truck
Invensys
Irvine
Jenner & Block
Key Plastics
Kirsch, Paul C.
Kowalski, Richard
Locke Liddell & Sapp, LLP
Miro, Weiner & Kramer
NGK
Novak, Barbara Griffin
Parmenter O'Toole
Phelps, John W.
Russell, Thomas
Sanko
Tenneco Automotive
Textron (Kautex)
Timken (Brazil)
Waste Management, Inc.

(G) TOP 50 CREDITORS

3M Co
Abc Group Inc
Akebono Brake Industry Co Ltd
Alcoa Inc
Alps Automotive Inc.
American Axle & Mfg Holdings Inc
Bosch Braking Systems Corp
Bosch, Robert Stiftung GmbH
Buena Vista Township, Michigan

City of Flint, Michigan
Clarion Co Ltd
Dana Corp
Delta
Dura Automotive Systems Inc
General Electric Co Inc
Hitachi Ltd
Illinois Tool Works Inc
Intermet Corp
Johnson Electric Holdings Ltd
NEC Corp
Norsk Hydro ASA
State of Michigan
State of Ohio
Texas Instruments Inc
Textron Inc
Worthington Industries Inc

**(H) HOLDERS OF 5% OR MORE OF ANY
OUTSTANDING EQUITY SECURITY OF
THE COMPANY**

Capital Group International, Inc.

**(I) RECORD NOTEHOLDERS HOLDING 5%
OR MORE OF ANY OUTSTANDING
ISSUANCE OF NOTES OF THE COMPANY**

Citigroup
Goldman Sachs
Lehman Brothers
SSB

(J) INDENTURE TRUSTEES

Bank One Trust Company N.A.
J.P. Morgan Trust Company, N.A.

**(K) UNDERWRITERS OF SECURITIES ISSUED
BY THE COMPANY DURING THE PAST
THREE YEARS**

A.G. Edwards & Sons, Inc.
Citigroup Global Markets Inc.
Comerica Securities, Inc.
HSBC Securities (USA) Inc.
J.P. Morgan Securities Inc.
McDonald Investments Inc., a KeyCorp Company
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Morgan Stanley & Co. Incorporated
Oppenheimer & Co. Inc.
UBS Securities LLC
Utendahl Capital Partners, L.P.
Wachovia Capital Markets, LLC

(L) COUNTERPARTIES TO MAJOR LEASES

Crown Enterprises, Inc.
Ford Motor Land Development Corporation
General Motors Corporation
LaSalle National Bank, as Trustee under Trust
No. 115897
Liberty Property Limited Partnership
Pac Rim
QEK Global Solutions
Realty Investment II
Sealy RG Valley Buildings, L.P.
Visteon Corporation

**(M) COUNTERPARTIES TO MAJOR
CONTRACTS (OVER \$100,000)**

Alltel
AT&T Solutions, Inc.
ATT Wireless
Blue Cross Blue Shield
Bridgestone T.G. Australia Pty. Ltd
CIGNA Behavioral Health
CIGNA Healthcare
Cinergy PSI IN
Compuware
Consumers Energy MI (Detroit)
Consumers Power MI
Consumers Power Company
Delphi Aftermarket France
Delphi Auto Brazil – E&C
Delphi Auto Systems Australia
Delphi Auto Systems Brazil – Harrison
Delphi Auto Systems India Private Limited
(DASPL)
Delphi Automotive Systems
Delphi Automotive Systems Espana (Logrono)
Delphi Automotive Systems Espana Cadiz
Delphi Automotive Systems France
Delphi Automotive Systems Italia Sri (Diavia)
Delphi Automotive Systems Lockheed UK
(Aftermarket)
Delphi Automotive Systems Netherlands
(Aftermarket)
Delphi Automotive Systems Poland Sp. Z.o.o.
Delphi Automotive Systems Portugal (Ponte de
Sor)
Delphi Automotive Systems Spain
Delphi Automotive Systems Sungwoo
Delphi Delco Electronics Suzhou
Delphi Delco Liverpool
Delphi Diesel Systems England
Delphi Diesel Systems Ltd England
Delphi Diesel Systems Spain
Delphi Diesel Systems Turkey

Delphi Diesel Systems UK
Delphi Diesel Systems, S. L. Spain
Delphi Harrison Calsonic (France)
Delphi Lockheed Automotiove France
(Aftermarket)
Delphi Packard Balcheng, Limited
Delphi Packard Electric Co Ltd (Shanghai)
Delphi Packard Electric Malaysia Sdn Bhd
Delphi Packard Espana
Delphi Saginaw Lingyun Brillance and Palio
Delphi Saginaw Lingyun Jinbel
Delphi Sistemas de Energia (Portugal)
Delphi TVS Diesel Systems Ltd India (Lucas)
Delphi-TVS Diesel Systems Ltd (India)
DOD
DOD TACOM
DTE Energy MI
East Penn Manufacturing Company
Falcon Asset Securitization Corporation
Firma Carl Freudenberg KG
Fitel USA Corp. (assigned by Lucent)
Flint (City of) MI
General Motors Investment Management
Corporation
HTC
Intel Corporation
Jupiter Securitization Corporation
Lear Corporation
MCI Worldcom Communications, Inc.
New York Power Authority
Raytheon Company
Saginaw (City of) Wir & Swr MI
State Street Bank and Trust Company
The Regents of the University of Michigan
TI Group
Time Warner
Toyota Motor Company
Toyota Motor Corporation
Troy (City of) MI
UBE Machinery Sales
Verizon
Verizon Wireless
Verizon Wireless
Wayne State University
Wisconsin Electric Power Co WI

(N) SECURED FINANCIAL CREDITORS

See (C) above.

**(O) LIENHOLDERS AND OTHER
SIGNIFICANT LENDERS**

Bank One Michigan
Bank One, NA
Delphi Automotive Systems Corporation

Fifth Third Bank (Western Michigan)
LaSalle Bank National Association
LaSalle National Leasing Corporation
Motion Industries Inc.
Motorola, Inc.
Omega Tool Corporation
The Huntington National Bank
Toyota Motor Credit Corporation
Wells Fargo Bank Northwest, Trustee

(P) MAJOR CUSTOMERS

Best Buy Co. Inc.
Caterpillar
Honda
Isuzu Group
Johnson Controls
Kautex
Mitsubishi
Navistar International
Nissan
Paccar
Rover
Saab Automobile AB
Saab Automobile Parts
Standard Motor Products Inc
Toyota
Visteon

(Q) MAJOR SUPPLIERS

Aluminum Co of America
Analog Devices GmbH
Analog Devices Inc
Asahi Glass Co
Autoliv ASP Inc
BBK Ltd
Benteler Automotive
Bosch Automotive Systems Corp
Caterpillar Engine Systems
Centra Inc
Deloitte & Touche
DTE Coal Services
E I Dupont de Nemours & Co Inc
Engelhard Corporation
Epcos AG
Essex Group Inc
Federal Mogul Corp
General Electric Capital
GKN PLC
GM – AC Delco
GM Daewoo Auto & Technology Co
Handy & Harman
Hewlett-Packard Co.-Roseville
Hewlett-Packard Company
Hewlett-Packard GmbH

Hewlett-Packard Singapore
Hewlett-Packard/San Jose
Hitachi Automotive
Hitachi Chemical Asia Pacific
International Truck & Engine
JCI
John Deere
Johnson Matthey Plc
KPMG LLP
Michael Baker, Inc.
Microchip Technology Inc
Microsoft Services
Mitsubishi Electric
Motorola Automotive
MSX International Inc
Nabco Inc
Norandal USA INC
Olin Corp
Panasonic Automotive
Parker Hannifin Corp
Rohm Co Ltd
Schulte & Co Gmbh
Shanghai Ming Fang Autoparts Co Ltd
Siemens Automotive Ltd
SPX Corp
Sunrise Medical HHG, Inc.
Sunrise Medical Ltd
UBS AG
USA Technologies, Inc.
Valeo SA
Vallourec
Viasystems Canada Inc
Visteon Automotive Systems
Yazaki Corp

**(R) LETTER OF CREDIT ISSUERS AND
BENEFICIARIES**

C.N.A.
Reliance Insurance Company
Safeco Insurance

**(S) STATE AND OTHER GOVERNMENTAL
AUTHORITIES WITH AN INTEREST IN
THE COMPANY**

Internal Revenue Service
Pension Benefit Guaranty Corporation (PBGC)
U.S. Environmental Protection Agency

**(T) UNIONS REPRESENTING COMPANY
EMPLOYEES**

**(X) OTHER MISCELLANEOUS INTERESTED
PARTIES**